

August 26, 1998

EA 98-390

Mr. G. Rainey, President
PECO Nuclear
Nuclear Group Headquarters
Correspondence Control Desk
P. O. Box 195
Wayne, PA 19087-0195

SUBJECT: NRC MAINTENANCE RULE BASELINE INSPECTION REPORT 50-352/98-06
AND 50-353/98-06; NOTICE OF VIOLATION AND EXERCISE OF
ENFORCEMENT DISCRETION

Dear Mr. Rainey:

This report refers to the team inspection conducted on July 6 through 10, 1998, at the Limerick Generating Station. The purpose of the inspection was to review the implementation of the maintenance rule program, required by 10 CFR 50.65, at the Limerick nuclear generating station, Units 1 and 2. At the conclusion of the inspection, the findings were discussed with Mr. VonSuskil and others of your staff.

The team concluded that, at the time of the inspection, the maintenance rule was being implemented acceptably at the Limerick Generating Station. Your staff was generally knowledgeable of the maintenance rule and its requirements. Several extensive internal quality assurance surveillances had been conducted evaluating your program. The results of those nuclear quality assurance surveillances were detailed and critical of the maintenance rule implementation at the Limerick Generating Station. We found that as a result of a comprehensive self-assessment, significant deficiencies in the program were resolved prior to this inspection. However, we also note that station management was very slow to implement the lessons learned from the maintenance rule inspection at Peach Bottom and to resolve deficiencies in the Limerick program.

Based on the results of this inspection, the NRC has also determined that one violation of NRC requirements occurred. The violation, with two examples, is cited in the enclosed Notice of Violation (Notice) and the circumstances surrounding it are described in detail in the subject inspection report. The violation was identified by the NRC and has been categorized as Severity Level IV in accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions" (Enforcement Policy), NUREG-1600, Revision 1, May 1998. 310055

11

9808310298 980826
PDR ADDCK 05000352
G PDR

I 201

Mr. G. Rainey

2

Regarding your self-assessment of your maintenance rule program, you identified significant performance weaknesses and inadequacies, including examples of failure to demonstrate effective preventive maintenance and failure to include 50 systems, structures and components (SSCs) in the scope of the maintenance rule program, as well as failure to place systems into an (a)(1) status in a timely manner when it was evident that preventive maintenance was not effective. It was apparent that your organization was not in compliance with the maintenance rule as of July 10, 1996, when the rule became effective. The NRC recognizes that considerable progress was made in the months prior to the subject inspection to correct these inadequacies. Nonetheless, these inadequacies are violations and collectively represented an initial programmatic breakdown in the development and implementation of the Rule.

These violations were considered for escalated enforcement action in accordance with the Enforcement Policy; however, after consultation with the Director, Office of Enforcement, and the Regional Administrator, I have been authorized to not issue a Notice of Violation and not propose a civil penalty (for the violations identified by your organization) in accordance with the provisions provided in Section VII.B.6 of the Enforcement Policy. The decision to exercise discretion was made in consideration of the facts that: (1) your self-assessment identified the deficiencies in your maintenance rule program; (2) your corrective actions to address the weaknesses were reasonably comprehensive; (3) there was no actual adverse impact on system performance as a result of the deficiencies in your program; and (4) at the time of the inspection, your maintenance rule program and implementation were in compliance with 10 CFR 50.65 with the exception noted above. Although the NRC identified a violation during the inspection, these deficiencies were not indicative of a continuing programmatic breakdown. Rather, it appeared that you had not had a chance to review your recent corrective actions for effectiveness.

You are required to respond to this letter and should follow the instructions in the enclosed Notice. The NRC will use your response, in part, to determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosures will be placed in the NRC Public Document Room (PDR).

Your cooperation with us is appreciated.

Sincerely,

James T. Wiggins, Director
Division of Reactor Safety

Docket Nos.: 50-352, 50-353
License Nos: NPF-39, NPF-85

Enclosure: NRC Inspection Report 50-352/98-06 and 50-353/98-06

Mr. G. Rainey

3

cc w/encls:

G. Edwards, Chairman, Nuclear Review Board and Director - Licensing

J. VonSuskil, Vice President - Limerick Generating Station

T. Moore, Manager, Experience Assessment

Secretary, Nuclear Committee of the Board

Commonwealth of Pennsylvania

Mr. G. Rainey

4

Distribution w/encls:
Region I Docket Room (with concurrences)
H. Miller, RA/W. Axelson, DRA
D. Holody, ORA
J. Wiggins, DRS
L. Nicholson, DRS
R. Conte, DRS
L. Briggs, DRS
C. Anderson, DRP
D. Florek, DRP
R. Junod, DRP
NRC Resident Inspector
Nuclear Safety Information Center (NSIC)
PUBLIC
DRS File

Distribution w/encls: (Via E-Mail)
B. McCabe, OEDO
R. Capra, PDI-2, NRR
Inspection Program Branch, NRR (IPAS)
B. Buckley, PD 1-2, NRR
M. Thadani, PD 1-2, NRR
R. Zimmerman, ADPR, NRR
J. Lieberman, OE (OEMAIL)
F. Davis, OGC
A. Nicosia, OGC
R. Correia, NRR
R. Latta, NRR
M. Campion, ORA
DOCDESK

DOCUMENT NAME: G:\OLHP\BRIGGS\LIM9806.INS

To receive a copy of this document, indicate in the box: "C" = Copy without attachment/enclosure "E" = Copy with attachment/enclosure "N" = No copy

OFFICE	RI/DRS	RI/DRP	RI/DRS	RI/ORA	RI/DRS
NAME	LBriggs	CAnderson	RConte	DHolody	JWiggins
	08/18/98	08/10/98	08/10/98	08/19/98	08/27/98

OFFICIAL RECORD COPY

concurrence with D. Nelson, OE, and R. Correia, NRR via telephone.
Lany & Briggs
8/25/98